

Republican Review

A Publication of the New Hampshire House Majority Office

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FLANAGAN: VETO OF SB179 MAY REFLECT POORLY ON PRIMARY

CONCORD – House Majority Leader Jack Flanagan (R-Brookline) offered the following statement on the Governor’s veto of SB179, relative to eligibility to vote in New Hampshire. The bill passed the House, as amended, by a vote of 211-145 on June 3rd, and the Senate concurred with the House on June 4th.

House Majority Leader Jack Flanagan (R-Brookline)

“Governor Hassan’s veto further delays our ability to implement reasonable clarifications in our election laws that would ensure ballots cast in New Hampshire elections are cast by duly qualified people. Our citizens should have a reasonable expectation that their vote will not be cancelled out by temporary visitors, what our own Secretary of State has called ‘drive-by voters’. With the New Hampshire presidential primary less than a year away, the eyes of the nation are on us. Under our existing laws our doors are still technically open for people with little intent on staying here to participate in that primary. That seems unfair to most people, and it’s unfair to the process we hold so dear.”

GOV CONTINUES TO OFFER FALSE CHOICES ON BUDGET

CONCORD – Governor Hassan again this week offered [three points on her budget veto](#) that this publication has already proven to be without merit. The fact remains that her veto is based on far-fetched claims and fuzzy “Maggie math”, and as a result we are unable to move forward with a balanced, smart & sensible budget.

1) Claim: The budget does not include an extension of Medicaid expansion.

An extension of the NH Health Protection Plan (aka Medicaid expansion) is NOT included in HB1 or HB2 as passed by the House and Senate. However, claims that this is an all or nothing deal is misleading. The program is scheduled to sunset on December 31, 2016. This is a full 17 months away. No one’s coverage is at risk if an extension is not in the budget. Legislative leaders have been adamant since early in the budget process that this should be a separate discussion in the 2016 session, separate from the budget. Realistically, the chances of a budget passing the House that included an extension of the NHHPP at this time would be slim.

STATS OF THE WEEK:

32%

% of NH’s bridges classified as either “structurally deficient” or “functionally obsolete” in 2013, according to [figures released](#) by the U.S. DoT.

\$33 million

Increase in NH DoT funding from FY15 (HB1) to FY16 (HB1) unable to be spent due to Gov. Hassan’s veto.

2) Claim: “Because when you look forward to the budget after this one and the one after that one, you’re looking at a \$90 million hole in the budget.”

NH’s state budget is for two years only. In this case, HB1 and HB2 would be effective for fiscal years 2016 and 2017. However, the Dems’ claim of \$90 million, by their own admission, is for the next 3 budget cycles. There are almost no examples of the legislature ever projecting budgets or revenue out 5+ years in advance. Law makers can change laws. Elections are held every two years. If the evidence is so compelling that business tax reductions have created a budget hole, Democrats can certainly introduce legislation to raise taxes, if they so choose. We would welcome that debate, but now is premature.

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HOUSE, SENATE PRODUCE AN EXCELLENT BUDGET

By Rep. Patrick Abrami (R-Stratham)

This is the third New Hampshire budget I have had the honor to vote on and I must say it is the most robust due to our revenues from all existing taxes, as a whole, performing extremely well. My contribution to the budget process was being part of the revenue estimating House Ways and Means Committee (HW&MC) team. Back in February we estimated total general and educational fund revenue for FY2016 and FY2017 at \$4,502.1M. Since then state revenues have outperformed all of our expectations, prompting HW&MC to update estimates in June before the Budget Committee of Conference met. The conference accepted the HW&MC revised estimates of \$4,619.2M or an increase of \$117.1M. This is all with no new taxes. When Federal revenue is added the budget for the next biennium is \$11.352B up 5% from the \$10.797B appropriated in the FY2014-15 biennium.

Health and Human Services received higher funding in this budget than in any prior which is up 8% to \$4.449B from \$4.106B last biennium. Funding has been restored for elderly services, including meals on wheels, services for veterans, the developmentally disabled (including family support and early intervention), and the mentally ill. The expanded Medicaid program will continue through Dec. 31, 2016 per current law. Provisions were made for the Sununu Youth Services Center to reduce its excessively high per child operating cost.

Funding for substance abuse prevention and treatment has been increased from \$28.3M to \$42.3M to help deal with the steady increase of those in need. The increased funding will support a new substance abuse benefit that has been added to the traditional Medicaid program. A 5% rate increase was granted to providers of long-term care in the community, including personal care aides, home health aides, home nursing services and homemaker services. I ran into John Williams, DHHS Director of Legislative Affairs, whom I have worked with in the past, the day before the budget vote and asked so how did we treat HHS in the budget? He simply said, "very well" with a big smile on his face.

In other areas of the budget the transportation department is funded at \$1.172B up 8% from last biennium, more than sufficient to maintain and improve state roads and bridges and provide their winter maintenance without personnel reductions. The fish and game fund received a \$1.2M infusion from the general fund to insure uninterrupted services such as search and rescue. Municipalities will receive larger highway block grants, while grants for clean water and landfill projects are preserved. Travel and tourism promotion is level-funded. Thirty-five unfunded positions in the department of corrections were funded.

In the area of education, the education stabilization grants will be provided in FY2017 at 96% of their current level. The limit, or "cap", on adequacy aid to growing school districts has been increased and the number of towns subject to it will decrease from 44 to 10. The cap is removed entirely in FY2018. Starting in FY2017, charter schools will receive an additional \$1,000 per pupil in state adequacy aid adjusted annually for inflation. The community college system is fully funded and should be able to freeze tuition for the next biennium. The university system is level funded at \$81M per year. As the economy improves we should be able to increase this to the \$100M per year level which is something many legislators, including myself, would like to eventually see. Any future increases should be tied to gaining continued efficiencies through innovation and the lowering of tuition levels especially for in-state students.

This budget was balanced without raiding any of the dedicated funds including the popular LCHIP fund. For the first time in nine years the rainy day fund is increased from its current \$9.3M level to over \$24M. This should reassure investors, help sustain the state's relatively high bond rating, and thus help keep New Hampshire's interest rates low.

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It is important that we attract businesses to NH, so this budget reduces business taxes over the next five years. This affects companies that provide 95% of private sector jobs in the state. The Business Profits Tax will drop from 8.5% to 7.9% and the Business Enterprise Tax will drop from .750% to .675% incrementally over five years. A \$5M increase in the research and development tax credit will begin in FY2018. Over time these changes should make NH more business friendly and more competitive with the other New England states whose business taxes are lower.

In a stereotypical way this seems more like a Democrat budget than a Republican budget with the exception of the business tax cuts. My goodness a 5% increase in spending on average but with HHS spending up 8%. I know for a fact this budget has made many social service activists very happy. But then the governor veto's it. She doesn't like the tax cuts, but they are there to prime the pump for more business tax revenue in the future by stimulating increased business activity. The governor wants increases in the baseline step pay rates for state workers. This will be addressed once we are sure revenues remain strong. In the meantime a great majority of state workers will be receiving step pay raises. The Governor wants the budget to fund Medicaid Expansion beyond Dec. 31, 2016. However, the compromise reached last year was based on a reassessment of the program through the proper process, which will occur during the 2016 legislative session. To me these are not reason enough to veto the most expansive NH budget ever.

The Nashua Telegraph blasted Governor Hassan's partisanship and politically motivated veto in a recent scathing editorial. "It's Hassan who is so far firing off the highest rhetoric and appears most motivated by political ambition". In June of 2011 then Governor Lynch was faced with a very difficult budget because of the recession but he let it become law. Why because he did not want to, "face chaos in state government".

SEN. REAGAN: BUDGET WOULD HAVE HELPED SCHOOLS

The following letter to the editor from Sen. John Reagan (R-Deerfield) ran in several newspapers this week:

As chair of the Senate Education Committee, and a member of Senate Finance, I kept a close eye on how the budget we passed affected New Hampshire schools. The budget would have been great news for education at all levels, and it's a shame that Governor Hassan chose to veto it.

At the local level, this budget increased state support for public schools by phasing out the cap on Adequacy Grants that limited how much some districts received under the Education Funding formula. By raising the cap to 140% of the prior year's level in 2017, and eliminating it entirely in 2018, this budget would have brought actual spending on local schools in line with the formula we adopted several years ago.

Local charter schools would have also benefited. State aid to district schools increase with inflation, but charter school grants have not been indexed. This budget added an annual adjustment for the Consumer Price Index to make sure state aid kept up with inflation.

We also included a \$1,000 per student increase in 2017, bringing Charter School grants closer to the amount we send to district schools.

In higher education, we also increased state funding. We worked with the Community College System to provide enough for it to freeze tuition for the next two years. We increased state spending on the University System by \$12 million in this budget, an 8% increase.

Unfortunately, the Governor's veto put all of this on hold. I remain confident that education will remain a priority as we continue to work on New Hampshire's budget.

GOV'S RADIO APPEARANCE DRAWS RHETORICAL QUESTIONS, STATEMENTS FROM HOST

"...The budget that you talked about, the bi-partisan [2014-2015] budget that was lauded by everybody 2 years ago... the current [proposed] budget does increase spending by 5% over that budget that you praised, Governor Hassan. So nobody gets whatever they want in politics. Maybe this current budget [proposal] is not so bad. It does increase spending by 5% for those critical priorities..."

"...When you talk about the \$90 million [projected shortfall], again that's 3 budget cycles out from here. Do we normally project that far out in terms of revenue? It seems like we're constantly readjusting our assumptions and estimates..."

"...is that fair comparison, Kansas [tax cuts]? From what I understand, they had a much broader slate of tax cuts, income tax cuts and so forth. These seem modest, these [NH] business tax cuts..."

"...Given our relatively high business tax rates, how do you project that message? [The message] that New Hampshire is open for business - that this is a business friendly place, come on in and create jobs - if not through these tax cuts?"

"...Given that we're under a continuing resolution now, substance abuse treatment was supposed to go way up under this Republican budget, and now it's funded at current levels, and a lot of people are disappointed at that."

"...Well, in terms of the tax cuts - I hate to keep getting back to this, but it is the big sticking point - Speaker Jasper and Senator Morse said 'Yes, higher education needs more money. We gave them some more - maybe not as much as they wanted'- but also the business tax cuts, they postulated, might help businesses create jobs for young people when they graduate. So there are really two ways to look at it."

"...The longer this goes on, the more we hear about pain, whether it's in the mental health system, substance abuse, roads... People want this money to come through."

- Laura Knoy, Host of NH Public Radio's The Exchange, [during an interview with Gov. Hassan on Monday.](#)

HASSAN'S BUDGET FALACIES

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3) Claim: Republicans aren't meeting with the Governor to discuss a resolution to the budget

House and Senate leaders continue to meet with the Governor and her staff on a regular basis. There is no need to reconvene the legislature until the Governor understands that the budget included in HB1 and HB2 is the best product she will likely see, from her perspective, and makes a public call for the 160 House Democrats and 10 Senate Democrats to vote their conscience on a veto override.

Republicans have put forward a responsible spending plan that meets our state's needs and is an extension of the bipartisan spending plan passed 2 years ago. It funds priorities including local and higher education, substance abuse treatment, transportation, and health and social services. In addition to these commitments, we've taken the step to lower our business taxes for the first time in decades, in order to better compete for jobs and investment, in a 21st century economy.

Republican leaders aren't likely to cave on these important priorities. Meetings will continue, but without reasonable concessions from the Governor, New Hampshire can look forward to more politically motivated uncertainty. Gov. Lynch understood the risks involved in a budget veto which is why he let the 2011 budget become law without his signature, to avoid what he called, "chaos in state government."

Earlier this week, the House Majority Office sent a list of 2015 legislative accomplishments to House members. The list is broken out by policy area, with brief descriptions and bills numbers. We were able to pass a multitude of bills that directly addressed issues we campaigned on as Republicans and pledged we would act on as part of our Republican legislative agenda. Important to note is not all of these accomplishments will become law. Governor Hassan has vetoed 12 bills so far this year, including HB1 & HB2. If a bill has been vetoed, or if a listed policy change was included in a bill that was vetoed, we've indicated that on this list. Should the Governor veto more items on this list, we will send out an updated version. For the benefit of all our readers, we wanted to include the list in this week's issue of the Republican Review. We hope you find this accomplishments list helpful as you talk with voters your community this summer and fall, and as we plan for 2016.

2015 LEGISLATIVE ACCOMPLISHMENTS

Jobs and the Economy

- Lowered the Business Profits Tax for the first time in 20 years, and the Business Enterprise Tax for the first time ever, enabling New Hampshire to regain its competitiveness over neighboring states. *HB2 [VETOED BY GOVERNOR]*
- Expanded the Research and Development Tax Credit in FY18. *HB2 [VETOED BY GOVERNOR]*
- Authorized Business Finance Authority to assist Balsam's Redevelopment. *SB30*
- Protected NH businesses from unfair tax treatment when they go public or acquire new investment capital. *HB550*
- Approved reforms to Workers Compensation, enabling employers to contest unreasonable health care charges. Lowering Workers Comp is a key obstacle for job creation in New Hampshire. *SB133*
- Protected electric ratepayers by approving a deal for Eversource to divest its power generating assets, which otherwise would have stuck ratepayers with 100% of Stranded Costs. *SB221*
- Updated and reformed New Hampshire's securities laws. *SB266*
- Protected the local fishing industry from stifling regulations. *HB464*
- Updated New Hampshire's outdated banking laws. *SB188*

Budget

- Approved a balance, responsible budget that meets New Hampshire's needs:
 - Full funding of Development Disabilities and Waitlist. *[VETOED BY GOVERNOR]*
 - Fully funds ServiceLink and Meals on Wheels. *[VETOED BY GOVERNOR]*
 - Increases state support for alcohol and drug treatment and prevention programs by 75%. *[VETOED BY GOVERNOR]*
 - Funds Mental Health Settlement while increasing state support for existing mental health infrastructure. *[VETOED BY GOVERNOR]*
 - Ensure opening of 10-Bed Crisis Unit at NH Hospital. *[VETOED BY GOVERNOR]*
 - Increases funding for higher education, including a two-year tuition freeze at the Community College System. *[VETOED BY GOVERNOR]*
 - Provides tax relief for NH businesses that employ 95% of private sector workforce, the first rate relief in 20 years. *[VETOED BY GOVERNOR]*
 - Rejects \$129 million in tax increases in Governor Hassan's budget. *[VETOED BY GOVERNOR]*
- Approved Capital Budget that funds priority infrastructure projects. *HB25*

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Energy

- Required ratepayer protections under agreement to allow Eversource to divest its power generating assets. *SB221*
- Protected ratepayer rights. *SB170*
- Improved ability of Site Evaluation Committee to review energy projects. *HB614*
- Improved Site Evaluation Committee rules for gas pipelines to protect landowners. *SB572*

Education

- Strengthened requirements for parents to be notified of potentially objectionable course material in public schools. *HB332 [VETOED BY GOVERNOR]*
- Provided state support to local school districts for courses given to home-schooled students. *SB151*
- Increases state funding for University System by \$12 million over two years (8%). *HB1 [VETOED BY GOVERNOR]*
- Increase state support for Community College System by \$3.8 million, enough to ensure a two-year tuition freeze. *HB1 [VETOED BY GOVERNOR]*
- Phases out cap on Adequate Education Grants. *HB2 [VETOED BY GOVERNOR]*
- Increased state support for Charter School students. *HB1 & 2 [VETOED BY GOVERNOR]*
- Allows towns to provide property tax exemption for Charter Schools. *HB662*
- Protecting local school districts from Common Core mandates. *SB101 [VETOED BY GOVERNOR]*
- Increased state support for Community and Technical Education Centers. *SB190*
- Allow use of the SAT or ACT tests to fulfill the high school assessment requirement. *HB323*

Health and Human Services

- Funded vital state assistance programs, including Meals on Wheels, ServiceLink, and Developmental Disabilities. *HB1 [VETOED BY GOVERNOR]*
- Preserved Emergency Shelters and staffing at NH Hospital. *HB1 [VETOED BY GOVERNOR]*
- Increased state support for alcohol and drug treatment and prevention programs by 75%, including new Substance Abuse Disorder Benefit under Medicaid. *HB1 [VETOED BY GOVERNOR]*
- Funds state Mental Health Settlement by increasing funding for existing mental health infrastructure by \$6.5 million. *HB1 & 2 [VETOED BY GOVERNOR]*
- Reduced bureaucratic hurdles for Managed Care Organizations to administer prescription drugs to treat mental illness. *HB564*
- Authorized use of “telemedicine” to improve health care delivery at lower cost. *SB84 & SB112*
- Strengthen protections against lead poisoning in children. *SB135*
- Provided parity for oral anti-cancer therapies. *SB137*

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Helping Cities and Towns

- Authorized cities and town to establish special assessment districts. *HB486*
- Reduced costly and unnecessary mandates on local elections. *HB493*
- Authorized municipalities to improve storm water protections. *SB97*
- Increases state aid under Meals and Rooms Tax. *HB1 & 2 [VETOED BY GOVERNOR]*
- Increases state support for local public schools. *HB1 & 2 [VETOED BY GOVERNOR]*

Public Safety

- Established sustainable funding for State Police Detectives Bureau and Division of Homeland Security. *HB1 & 2 [VETOED BY GOVERNOR]*
- Improves ability to investigate child abuse and neglect allegations. *SB244*
- Passed “Good Samaritan” protections for people requesting medical assistance for victims of drug overdoses. *HB270*
- Improved interoperability of public safety radios. *SB46*
- Restricted the sale of synthetic drugs like Spice. *SB106*
- Enabled Fish & Game to revoke license of persons convicted of sexual assault while hunting. *HB212*
- Increased penalties for indecent exposure. *HB597*
- Establishes fine for persons convicted of domestic violence to assist victims of domestic violence. *HB681*

Protecting Taxpayers and their Constitutional Rights

- Approved a Balanced Budget using conservative revenue estimates and no tax increases. *HB1 & 2 [VETOED BY GOVERNOR]*
- Doubled the Rainy Day Fund to protect NH’s fiscal health and bond rating. *HB1 [VETOED BY GOVERNOR]*
- Rejected \$129 million in job-killing tax increases in Hassan Budget. *HB1 & 2 [VETOED BY GOVERNOR]*
- Provided tax relief for NH Businesses, cutting our uncompetitive business tax rates. *HB1 & 2 [VETOED BY GOVERNOR]*
- Increased state aid to cities and towns for schools, road construction, and Meals and Rooms revenues, helping local taxpayers. *HB1 & 2 [VETOED BY GOVERNOR]*
- Improved state agency budget reporting requirements. *SB32*
- Reformed Real Estate Transfer Tax to remove improper tax on ground leases. *SB232*
- Repealed antiquated permit requirement to carry firearms. *SB116 [VETOED BY GOVERNOR]*
- Strengthened protections against EBT card abuse. *HB219 & SB169 [SB169 VETOED BY GOVERNOR]*
- Established Tax Amnesty, Voluntary Disclosure programs to enable collection on delinquent tax revenue. *HB2 [VETOED BY GOVERNOR]*
- Eliminated “Drive-By Voting” through 30-day residency requirement. *SB179 [VETOED BY GOVERNOR]*
- Improved disclosure requirements for homeowners facing foreclosure. *SB50*